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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 6, 2001

APPLICATION OF

ZEPHION NETWORKS COMMUNICATIONS
OF VIRGINIA, INC. f/k/a
DOMINO NETWORKS COMMUNICATIONS
OF VIRGINIA, INC.

CASE NO. PUC010003

For certificates of public
convenience and necessity to
provide local exchange and
interexchange telecommunications
services

FINAL ORDER

On February 2, 2001, Zephion Networks Communications of Virginia, Inc. ("Zephion" or the "Company"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Amended Order dated March 13, 2001, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public

hearing to receive evidence relevant to Zephion's application. On March 19, 2001, Zephion filed proof of service, and on April 18, 2001, Zephion filed proof of publication, all as required by the March 13, 2001, Amended Order.

On May 11, 2001, the Staff filed its Report finding that Zephion's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Zephion's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: (1) should the Company collect customer deposits, Zephion shall establish and maintain an escrow account held by an unaffiliated third party in a Virginia bank, notify the Division of Economics and Finance of the escrow arrangement, and maintain the account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements for its parent, Zephion Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Zephion's initial tariff.

A hearing was conducted on May 22, 2001. At the hearing, the application and accompanying attachments and the Staff

Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Zephion is hereby granted a certificate of public convenience and necessity, No. TT-155A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Zephion is hereby granted a certificate of public convenience and necessity, No. T-561, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should the Company collect customer deposits, Zephion shall establish and maintain an escrow account for such funds, held by an unaffiliated third party in a Virginia bank, and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) The Company shall provide audited financial statements for its parent, Zephion Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Zephion's initial tariff.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.